

Town of Wallingford, Connecticut

ORGE ADAIR

T OF PUBLIC UTILITIES

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EXHIBIT

OFFICE OF THE BUREAU CHIEF REUSE

FEB 0 4 2010

February 3, 2010

Mr. Paul Stacey Bureau of Water Protection & Land Reuse State Department of Environmental Protection 79 Elm Street Hartford, CT 06106

Dear Mr. Stacey:

At its meeting of February 2, 2010, the Wallingford Board of Public Utilities Commissioners (the "PUC") unanimously approved the enclosed resolution, which sets forth the PUC's concerns regarding the DEP's proposed Stream Flow Regulations. As indicated in the resolution, the PUC requests the DEP to withdraw the Regulations as proposed and to return to the policy development process in order to achieve the proper balance among all uses of Connecticut's water resources, as required by Public Act 05-142.

Thank you in advance for your consideration of the Wallingford PUC's comments regarding these proposed Regulations.

Sincerely,

George Adair

Director - Public Utilities

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Enclosure

WALLINGFORD PUBLIC UTILITIES COMMISSION RESOLUTION

DRAFT STREAM FLOW REGULATIONS (THE "REGULATIONS") PROPOSED BY THE CONNECTICUT DEPARTMENT OF ENVIRONMENTAL PROTECTION (THE "DEP")

WHEREAS, the Town of Wallingford currently derives approximately 90% of its water supply from its reservoirs; and

WHEREAS, the Wallingford Water Division (the "Division") has determined that the proposed Regulations would result in a reduction in the Safe Yield of Wallingford's reservoirs of between 35% to 40%; and

WHEREAS, this reduction in Safe Yield would reduce the benefit of these reservoirs to the Division's customers, who continue to pay for the maintenance of these assets; and

WHEREAS, this reduction in Safe Yield would limit the Division's ability to provide the water supply needs of new customers or to support the expansion of existing customers' facilities; and

WHEREAS, in order to construct modifications to its reservoirs to comply with the Regulations' release requirements the Division would incur substantial capital costs; and

WHEREAS, these modifications would provide no value to the Division's customers in terms of improved quality or service; and

WHEREAS, in order to replace the loss of supply resulting from the reduction in the Safe Yield of its reservoirs the Division would need to significantly increase its utilization of its water supply wells; and

WHEREAS, the Division would incur very significant capital costs to re-configure its water distribution system to enable greater use of water from its wells; and

WHEREAS, the operational changes necessary to comply with the Regulations would increase the Division's O&M costs; and

WHEREAS, although the Regulations set out to provide benefits to a variety of users of Connecticut's water resources, the costs incurred by the Division to comply with the Regulations would not be shared among all users in an equitable manner, but would be borne solely by the customers of the Division through higher water rates; and

WHEREAS, a number of the tools necessary for making a meaningful determination and comparison of the costs and benefits that would result from the Regulations are not yet in place, including the need to carry out the stream classification task;

NOW THEREFORE BE IT RESOLVED THAT the Wallingford Board of Public Utilities Commissioners requests that the DEP take the following actions:

1. Withdraw the Regulations as proposed.

2. Return to the policy development process and work with the stakeholders to produce revised Regulations that would achieve the balance called for by Public Act 05-142, between the needs of aquatic life, wildlife and public recreation and the "...needs and requirements of public health, flood control, industry, public utilities and water supply, public safety, agriculture and other lawful uses..."

Adopted this 2nd day of February 2010.

Robert N. Beaumont

Chairman

Public Utilities Commission